

Application Serial No. 09/434,645  
Examiner Charles Kyle

**REMARKS**

Claims 1, 3-7, 9 - 13, and 15 - 21 are pending. All claims stand rejected. Claims 1 and 7 have been amended to introduce limitations relating to the role of a processor. Claim 22 has been added.

Claims 1 - 12 stand rejected under 35 U.S.C. 101 on the grounds that the claimed invention is directed to non-statutory subject matter. The Examiner states that the claims recite no feature which places the claimed inventions within the technological arts, and further states that no particular technological element such as a computer is claimed.

This ground of rejection is respectfully traversed in view of the foregoing amendments. In particular, the use of a process in connection with the calculation steps of claim 1, and the calculation means of claim 7, is now claimed.

This ground of rejection is traversed on the additional grounds that there is no requirement that an invention relate to a technological art. As the Court of Appeals for the Federal Circuit has said: "Whether the claims are directed to subject matter within § 101 should not turn on whether the claimed subject matter does "business" instead of something else." *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1377 (Fed. Cir. 1998), *cert. denied*, 525 U.S. 1093 (1999). There is simply no ground of rejection that the claimed process is not technological, as a business method is proper subject matter.

Claims 1 - 21 stand rejected over Jones et al in view of Bierwirth. The rejection is respectfully traversed.

Claim 1 is a method of calculating or simulating the results of a given investment plan that includes an initial investment amount, later predetermined contribution amounts, and predetermined withdrawal amounts. Using historical data, the results of a wide variety of different asset allocations and choices as to savings, spending and the like, may be compared, as if the investments, withdrawals, and the like, had been made at various times in history. The outcomes of an investment strategy may then be evaluated by an example of actual experience. The presentation of the outcomes to an investor or financial planner can show the results on a

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period-by-period basis, of the portfolio values. The effects of timing on portfolio may be shown as a realistic result of using the historical data. Unlike Jones, variations in portfolio value observed by following the process steps of claim 1 reflect real market results, not simulated markets.

Jones teaches away from the use of historical data. The use of historical data was known in the art at the time of the filing of Jones, as Bierwirth's publication precedes the filing of Jones by more than three years. Indeed, Bierwirth notes that historical data is readily available from 1926 onward. Jones instead expresses a need for automatically generating future-looking realistic economic and investment return scenarios. (col. 2, lines 17 - 20). Jones thus puts a premium on future-looking return scenarios that are expected to be, in the words of Jones, "realistic." Implicitly, Jones indicates that the use of historical data is undesirable. Jones opts instead for creating estimated future scenarios from a multiple step procedure. Indeed, the complexity of the system of Jones indicates how strongly Jones teaches away from the use of simple historical data. In particular, Jones provides a pricing module 305 (col. 8, lines 20 - ). The pricing module provides estimates of current levels and forecasts of economic factors upon which the estimates of core asset class returns are based. Core asset classes are calculated by representing economic factors with three exogenous state variables: price inflation, a real short-term interest rate, and dividend growth. Jones notes that the three exogenous state variables are fitted with an autoregressive time series models to match historical moments of the corresponding observed economic variables. As explained in col. 12, lines 54 - 67, parameters for one or more functions describing state variables are received. The parameters are used to generate simulated values for the state variables. The role of historical data here is to provide econometric models that are estimated based on observed historical data. Returns for core asset classes are generated based on the values of the state variables. Thus, these returns are several steps removed from historical data.

In light of the foregoing, one of ordinary skill in the art would not seek to modify Jones by using historical data.

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The lack of use of historical data for modeling in Jones, despite the long existence of historical data, back to 1926 as noted in Bierwirth, further reinforces the nonobviousness of the use of historical data.

It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art, to combine the elements. Indeed, the years of use of salty bait and of plastic lures, without combining their properties, weighs on the side of unobviousness of the combination.

*Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, 43 U.S.P.Q. 2d 1294, 1296 (Fed. Cir. 1997). Here, the teachings of Jones, and the long availability of historical data, indicates the nonobviousness of the combination.

Bierwirth does not provide a suggestion to substitute historical data for the sophisticated modeling provided by Jones. Rather, Bierwirth criticizes unrealistic assumptions of prior art retirement ledgers that apply constant figures for annual rates of return and inflation. Jones does not have the drawback of the use of such constant figures for annual rates of return and inflation. Thus, one of ordinary skill, seeking to improve Jones, would not see a suggestion in Bierwirth's improvement over constant rates of return and inflation for an improvement over Jones.

It would not be obvious to one of ordinary skill to combine Jones and Bierwirth, as they take entirely different approaches.

Bierwirth takes the approach of comparing different portfolio allocations based on the twin goals of retaining a certain principal amount at the end of the period and providing a level income throughout the period. Bierwirth assumes a certain ending value for the portfolio. In essence, Bierwirth is intended for a retired client who has a set savings principal (page 2, lines 30- 35). There is no reference in Bierwirth to future contribution amounts. While a retiree in Bierwirth may have other sources of income, as noted on page 3, line 17, Bierwirth does not suggest contributing any of the other income amounts to the invested amounts by way of a future contribution. Bierwirth completely lacks the step of receiving a predetermined withdrawal amount. Rather, and contrary to the statement in the office action, Bierwirth receives a predetermined beginning and ending portfolio value, and the constraint that the withdrawal amounts must be constant. The actual amount of the withdrawal is not predetermined in

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Bierwirth. Bierwirth makes no provision for the proper amount to save, large future expenditures, or future additions to the portfolio.

Jones takes the different approach of receiving inputs from the investor, such as receiving in an initial session a wide range of information, including risk preferences, age, gender, expected income growth, current savings rate, retirement age goal, retirement income goals, and other information (col. 5, lines 52-61). Based on this information, a current portfolio's future performance is forecast. The user may then adjust the information in order to provide a different forecast.

The two analytical approaches of Jones and Bierwirth are almost entirely different. Bierwirth is a tool to determine the amount of level income that can be obtained, assuming the portfolio value is the same at the beginning and the end of the period. Jones is a tool to provide predictions for possible future portfolio values and income streams by adjusting a wide range of factors. One of ordinary skill, seeking to improve Jones, would not do so by attempting to import teachings from Bierwirth, which addresses a much more narrow problem.

For these reasons, claim 1 is allowable over the prior art of record.

Claims 7 and 13 are similar to claim 1, and are allowable for the reasons that claim 1 is allowable.

The remaining claims depend from one of claims 1, 7 and 13, and are allowable for the reasons that those claims are allowable.

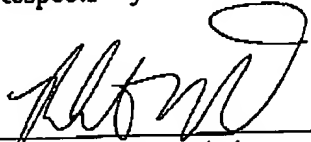
New claim 22 is allowable over the prior art of record as it claims receiving a second and different withdrawal amount at a future time period. Such a second and different withdrawal amount is not suggested by Bierwirth.

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It is respectfully submitted that all of the pending claims are in condition for allowance.  
Early reconsideration and allowance of the claims are respectfully requested.

Respectfully submitted,

Date: June 10, 2004

  
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